State of Nevada
Planning and Establishment of State-Level Exchanges
Responses to Request for Comments Regarding Exchange-Related Provisions in Title I of the Patient Protection and Affordable Care Act

A. State Exchange Planning and Establishment Grants

Section 1311(a) directs the Secretary to make planning and establishment grant awards to states for activities related to establishing an Exchange. For each fiscal year, the Secretary must determine the total amount that will be made available to each State. Grants awarded under this Section may be renewed if a State is making sufficient progress toward establishing an Exchange, implementing other insurance market reforms, and meeting other benchmarks. The Secretary must make the initial grant awards under this Section no later than one year after enactment, and no grants shall be awarded after January 1, 2015.

1. What factors are States likely to consider in determining whether they will elect to offer an Exchange by January 1, 2014?

   Nevada Response: **The single biggest factor affecting Nevada's decision to administer an Exchange at the state level is financing. Like most states, only to a greater extent, Nevada's revenues have fallen precipitously over the past several years and are not likely to return to pre-recession levels for some time. Our ability to plan, develop and operate an Exchange will largely depend on the availability of federal funds to fully support the development of an Exchange.**

   Assuming Nevada is provided the resources necessary to operate its own Exchange, we do believe the advantages of establishing a state-administered Exchange outweigh the disadvantages.

   The value of establishing a state-administered Exchange includes:

   - **Maintain regulatory authority over a large share of the commercial health insurance market;**
   - **Mitigate risk selection that may result from different rating and underwriting rules for insurance policies sold inside and outside the Exchange;**
   - **Enable greater coordination of benefits and eligibility rules across health coverage programs (e.g., Medicaid, CHIP and policies sold through the Exchange); and**
   - **Promote state health reform strategies and priorities through the Exchange.**

   On the other hand, there are risks for states that choose to establish their own Exchange, including:

   - **The challenge of creating a new program, particularly at a time when many states are struggling to balance their budgets;**
   - **The requirement that the Exchange be self-sustaining by 2015; and,**

- **The tension that will be created between keeping administrative fees low while satisfying the demands for high quality customer service.**

To what extent are States currently planning to develop their own Exchanges by 2014 (e.g., become electing States) versus choosing to opt-in to an Exchange operated by the Federal government for their State?

> ***Nevada Response:*** **For planning purposes, it is assumed Nevada will operate its own Exchange. Consumers and employers may feel a greater sense of ownership if the Exchange represents their interests in their own state. Local accountability, oversight and consumer buy-in would all be improved if the Exchange is established nd administered by the state. Finally, participation in the Exchange by Nevada's health insurers will be more likely to occur if the Exchange is administered by the State.**
>
> **We have begun the process of evaluating our eligibility systems (discussed further below) to determine modifications that may be necessary to support the Medicaid expansion and the establishment of an Exchange. In addition, we have established work groups on health care reform and are making plans to move ahead with implementation plans.**

When will this decision be made?

> ***Nevada Response:*** **A few factors will determine when Nevada can make this decision. The November 2010 elections will result in Nevada having a new governor. The governor will need to decide which direction he wants to move in. In addition, the Exchange planning grant will provide Nevada with an opportunity to thoroughly examine all options before making a final decision. Therefore, the ultimate decision likely will be made no later than the end of the planning grant year (September 2011).**

Can planning grants assist in identifying and assessing relevant factors and making this decision?

> ***Nevada Response:*** **Yes, the availability of planning grants will be helpful in identifying and assessing the factors that will determine whether Nevada will establish a state-administered Exchange. The State of Nevada will use funding available from the State Planning and Establishment Grants for the Affordable Care Act's Exchanges to assemble information, identify priorities, assess resource needs, and to lay the foundation for the development of a fully-functioning health insurance Exchange that best meets the needs of Nevadans. In order to meet the January 2014 effective date for the expansion of Medicaid eligibility and the availability of subsidized health insurance through the Exchange, we will develop a comprehensive plan that seeks to integrate the Exchange into existing publicly-subsidized health coverage programs and to complement commercial (primarily employer-sponsored) health insurance, through which most State residents receive their health coverage.**
>
> **We have identified three primary goals for the establishment of an Exchange in Nevada: (1) expand access to health coverage for residents of**

the State who are uninsured and lack access to affordable coverage; (2) leverage existing resources in the public and private sector to achieve administrative efficiencies; and (3) minimize, to the greatest extent possible, unintended disruption to the commercial health insurance markets.

2. To what extent have States already begun to plan for establishment of Exchanges?

Nevada Response: **The Nevada Department of Health and Human Services is proposing the development and implementation of a new eligibility system that will store all of the eligibility rules for the State's publicly-subsidized health coverage programs in one place, including premium subsidies available through the Exchange. This will be accessible to individuals shopping for health coverage from multiple entry points, such as the Health Insurance Exchange. As a first step in this process, the Division of Welfare and Supportive Services (DWSS) and the Division of Health Care Financing and Policy (DHCFP) asked the Public Consulting Group (PCG) to conduct an initial assessment of this approach and to prepare a high-level cost estimate for developing and implementing a single eligibility engine in Nevada.**

What kinds of activities are currently underway (e.g., legislative, regulatory, etc.)?

Nevada Response: **In order to meet the January 2014 deadline to have a streamlined eligibility system in place to serve all publicly-subsidized health coverage programs that may be available to Nevadans, the State will need to act aggressively. Project planning activity will need to begin by November 1, 2010. The feasibility study and Advanced Planning Documents (APDs) will need to be completed by the end of Calendar Year 2011 in order to develop and release an RFP for the design and development of the eligibility engine. This accelerated timeline then allows for approximately one year for a vendor to establish a rules-based eligibility engine that will serve as the single point of entry for individuals seeking coverage through the State's Medicaid and CHIP programs, as well as the premium subsidies that may be available through the Exchange.**

What internal and/or external entities are involved, or will likely be involved in this planning process?

Nevada Response: **State entities currently involved in Nevada's planning process include: the Department of Health & Human Services, the Division of Welfare and Supportive Services, the Division of Health, the Division of Health Care Financing and Policy, the Division of Insurance, the Public Employee Benefits Program, the Governor's Office, State Risk Management, and the Attorney General's Office.**

a. What kinds of governance structures, rules or processes have States established or are they likely to establish related to operating Exchanges (e.g., legal structure (such as

placement in State agency or nonprofit organization), governance structure, requirements relating to governing board composition, etc.)?

Nevada Response: **The resources provided from the State Planning and Establishment Grant will be used to determine the appropriate governance structure and administrator for the Exchange.**

b. To what extent have States begun developing business plans or budgets relating to Exchange implementation?

Nevada Response: **The resources provided from the State Planning and Establishment Grant will be used to develop business plans and budgets for the implementation of the Exchange.**

3. What are some of the major factors that States are likely to consider in determining how to structure their Exchanges (e.g., separate or combined individual Exchanges and SHOP Exchanges; regional or interstate Exchanges; subsidiary Exchanges, State agency versus nonprofit entity)?

Nevada Response: **Given the population of Nevada, it is likely that the State will establish one Exchange to serve the entire State. However, Nevada will need to decide whether to establish an Exchange (at the state level vs. relying on a federal exchange); how a state Exchange would be governed and administered; how it would be financed; and the manner in which the Exchange will need to interface with Nevada's Medicaid and CHIP Programs.**

As part of our planning process, we will evaluate the feasibility and desirability of establishing a combined Exchange that can serve the individual and small group markets, and we will evaluate whether the Exchange should be administered by a state agency or non-profit entity.

What are the pros and cons of these various options?

Nevada Response: **In evaluating and determining the appropriate structure for the Exchange, Nevada will need to balance the need for the Exchange to be flexible and able to quickly adapt to changing market conditions and evolving federal guidelines, with the need for public accountability. Establishing the Exchange in a non-profit or at a state agency will depend, in part, on the ability of these different entities to successfully implement an Exchange while being responsive to the public.**

Combining the SHOP Exchange as a part of the individual Exchange will be evaluated to determine whether there is value in combining these risk pools. We will also evaluate whether there are administrative efficiencies to be achieved by combining the SHOP and individual Exchanges.

4. What kinds of factors are likely to affect States' resource needs related to establishing Exchanges?

Nevada Response: **Factors affecting our resource needs center on the state of the economy, and the financial environment in the State of Nevada have severely impacted State resources. We will be hard pressed to appropriate a significant amount of state resources to establish an Exchange, and we will rely on the federal government to fully fund our Exchange efforts. While we have already expended state funds to support an initial evaluation of our eligibility systems and the first phase of health reform implementation, Nevada does not have the resources available to implement a fully-functioning health insurance Exchange on its own.**

a. What is the estimated range of costs that States are likely to incur during the upcoming year (e.g., calendar 2010 through calendar 2011) for each of the major categories of Exchange activities?

Nevada Response: **Nevada expects there to be $1.5 million in costs. This includes the $1 million planning grant. Other grant sources are needed to pay for the remainder.**

Which of these expenses are fixed costs, and which costs are variable?

Nevada Response: **These are variable costs, as this is the estimated cost for planning and development activities over the next year.**

b. To what extent do States have existing resources that could be leveraged as a starting point for Exchange operations (e.g., existing information technology (IT) systems, toll-free hotlines, Web sites, business processes, etc.)?

Nevada Response: **Most of Nevada's current IT systems are outdated. Hotlines and Websites will need to be updated and modified. The State currently uses two separate and distinct eligibility processes for our Medicaid and CHIP programs that are administered by two different agencies. Accomplishing the Health Care Reform law's objectives to establish a single portal will require modifying the State's existing eligibility systems or developing a new eligibility system to process applications and determine eligibility for all medical assistance programs.**

The next step in the development of a streamlined, single eligibility process will be the completion of a feasibility study for the proposed eligibility engine. This may then lead to the development of a new eligibility system or modifications to the existing eligibility systems. The State believes this is a gating issue for the achievement of one of the principle goals of federal Health Care Reform; that is, providing individuals with a single point of entry to access the various health coverage programs that will soon be available, while simplifying the application process.

c. For what kinds of activities are States likely to seek funding using the Exchange establishment and planning grants?

Nevada Response: **Funds will be used to continue work on the establishment of creating the eligibility engine; collecting data and conducting research regarding the insurance markets and the health plans**

that Nevada consumers purchase; developing a business plan and budget for the establishment of the Exchange; evaluating public and private-sector resources that may be leveraged for use by the Exchange; and putting together a comprehensive strategy for the successful implementation of health reform.

5. What kinds of questions are States likely to receive during the initial planning and start-up phase of establishing Exchanges?

   Nevada Response: **The questions will likely be developed as a result of the research conducted with the planning grant funds.**

How can HHS provide technical assistance, and in what forms, in helping States to answer these questions?

Nevada Response: **HHS can share up-to-date information on an accessible web site. Participating in onsite visits and facilitating strategic planning meetings at the state level would also be helpful. Most importantly, we need to be able to obtain definitive answers from HHS on questions we ask. It would also be helpful to learn from other states' experience and to share best practices. A regular forum in which specific areas of implementation are discussed and ideas shared could be an effective way to transfer knowledge.**

B. Implementation Timeframes and Considerations

1. What are the key implementation tasks that need to be accomplished to meet Exchange formation deadlines and what is the timing for such tasks?

Nevada Response: **The most immediate challenge for Nevada is the development of an eligibility system that can process applications for all medical assistance programs (i.e., Medicaid, CHIP, and the Exchange). We have started that work, using state funds, and the following section provides a proposed timeline for performing the activities that will be required to obtain approval for proceeding with and implementing the eligibility engine project. It presents an aggressive schedule in order to meet the Health Care Reform deadline of January 1, 2014. The underlying assumptions that were used are based on the direction provided by Nevada Division of Welfare and Supportive Services (DWSS) management. These assumptions include the following:**

- **In order for the DWSS and the Nevada Division of Health Care Financing and Policy (DHCFP) to implement the eligibility engine by January 1, 2014, ongoing support and commitment will be required from executive level management.**
- **The timeline will encompass the development of a Planning Advanced Planning Document (P-APD), a feasibility study, an Implementation Advanced Planning Document (I-APD), and a Request for Proposals (RFP) in order to secure funding for, and acquire assistance from, a vendor to design, develop, and implement the eligibility engine.**
- **The DWSS will develop the Nevada Technology Investment Request (TIR) and the P-APD for the eligibility engine project. The TIR and the P-APD will**

be developed upon the completion of the current eligibility engine project by January 1, 2011.

- **The DWSS and the DHCFP will seek assistance from an outside vendor to develop the feasibility study, I-APD, and RFP.**
- **Five-day review cycles will be allowed for the DWSS/DHCFP review and finalization of documents prepared.**
- **Project deliverables associated with obtaining federal funding and acquiring an outside vendor to design, develop, and implement the eligibility engine will not be subject to review from outside stakeholders (e.g., advocacy groups, etc.).**
- **Information will be suitable for budgetary approval through the normal legislative process.**
- **Existing funding/budgetary authority will be available to support the commencement of the project by November 1, 2010.**
- **The DWSS will acquire project management support to assist with the planning phase, which will commence with CMS review and approval of the P-APD.**
- **The development of the RFP will commence with CMS' review of the I-APD.**

The anticipated schedule for the proposed timeline is as follows:

Milestone	Start	Duration	Finish
Develop P-APD	November 1, 2010	2 months	January 1, 2011
CMS review and approval	January 1, 2011	2 months	March 1, 2011
Acquire contractor to conduct feasibility study and develop the IAPD and RFP	January 1, 2011	5 months	June 1, 2011
Conduct feasibility study / develop IAPD	June 1, 2011	5 months	November 1, 2011
DWSS / DHCFP review	November 1, 2011	1 week	November 8, 2011
CMS review and approval	November 8, 2011	2 months	January 8, 2012
Develop RFP	November 8, 2011	4 months	March 8, 2012
DWSS / DHCFP review	March 8, 2012	1 week	March 15, 2012
CMS review and approval	March 15, 2012	2 months	May 15, 2012
Release RFP	May 15, 2012		
Receive vendor responses	May 15, 2012	3 months	August 15, 2012
Select vendor / contract award	August 15,	2 months	October 15,

Milestone	Start	Duration	Finish
	2012		2012
CMS approval of contract	October 15, 2012	2 months	December 15, 2012
Design / develop	December 15, 2012	1 year	December 15, 2013
Full Implementation	December 15, 2013		
Maintenance and Operations (M&O)	December 15, 2013	5 years	December 15, 2018

While much of this work is within Nevada's control, we are dependent on the CMS for timely review and approval.

In addition to the significant amount of work and tight timelines associated with the eligibility engine project, we have identified the following key implementation tasks:

1. **Establish governance structure, designate entity to serve as Exchange administrator, and prepare business plan and budget;**
2. **Develop strategic plan and timeline for implementation;**
3. **Identify key functions/services/responsibilities of the Exchange;**
4. **Assess availability and capabilities of existing public and private resources to handle specific Exchange functions and services;**
5. **Develop web portal to provide consumers with information on their health coverage options;**
6. **Establish selection criteria for qualified health plans;**
7. **Develop and issue RFP for health carriers; and**
8. **Develop and issue RFPs for outsourced functions (e.g., customer service, premium billing and collection; Navigators, etc.)**

What kinds of business functions will need to be operational before January 1, 2014, and how soon will they need to be operational?

Nevada Response:
(1) Eligibility system; (2) rating engine for development of premiums; (3) Premium subsidy and reduced cost sharing application; (4) customer service unit; (5) interfaces with federal agencies and the State's Medicaid and CHIP programs.

2. What kinds of guidance or information would be helpful to States, plans, employers, consumers, and other groups or sectors as they begin the planning process?

Nevada Response: **Ongoing information from national associations and updates on the progress of other State projects would be helpful. In addition, specific guidance and regulations from the HHS is very important, as well as an ongoing dialogue as the health care reform landscape changes and evolves. In addition, information regarding existing insurance**

markets and exchanges that are functioning successfully in other states would be helpful.

3. What potential criteria could be considered in determining whether an electing State is making sufficient progress in establishing an Exchange and implementing the insurance market reforms in Subtitles A and C of Title I of the Affordable Care Act?

Nevada Response: **The Secretary and/or OCIIO should develop benchmarks by which states will be able to measure their progress in establishing an Exchange. Certainly, the passage of implementing legislation will be required, as will the designation or creation of an entity charged with developing the Exchange. States will need ongoing assistance and feedback from the federal government with regard to their progress in establishing the Exchange and implementing insurance market reforms.**

What are important milestones for States to show they are making steady and sufficient progress to implement reforms by the statutory deadlines?

Nevada Response: **The development of a project timeline and its results would show achievements. These should be an integral part of the business plan. In addition, a number of factors may make it difficult for states to prove full certification to HHS by the statutory deadline. These issued may include delays in the release of critical federal guidance, the distruptions of upcoming elections, or the ongoing challenge of a strained state workforce. Rather that reject their proposals, HHS should be willing to help those states come into substantial compliance as soon as they are able.**

4. What other terms or provisions require additional clarification to facilitate implementation and compliance?

Nevada Response: **This will be determined as we progress through the planning grant activities. It is critical that states receive early, clear and consistent exchange guidance from HHS. This includes those areas where HHS may choose to be silent and provide states maximum flexibility. HHS should be flexible in how it provides this guidance, as states are coming at this issue from different vantage points.**

What specific clarifications would be helpful?

Nevada Response: **What constitutes minimum essential benefits? How will premium billing and collection be handled? What are the criteria for Navigators and the role for brokers/agents?**

C. State Exchange Operations

Section 1311(b) requires an Exchange to be established in each State not later than January 1, 2014 that:

1. What are some of the major considerations for States in planning for and establishing Exchanges?

   Nevada Response: **The ability to leverage existing resources – either public or private – will be an important consideration, as will the design and implementation of modifications to our existing eligibility systems and information technology infrastructure. Another major consideration is the customer service support that will need to be established in order to assist consumers with their health coverage options.**

2. For which aspects of Exchange operations or Exchange standards would uniformity be preferable?

   Nevada Response: **This is unknown at this time. It is possible that each state's Exchange needs to be structured to meet the needs of its population. However, uniform cost and quality data would be preferable in order for consumers to make informed decisions about insurance coverage. We hope that OCIIO and other federal agencies involved in the regulation of Exchanges will be flexible in their approach and recognize the different needs and desires of the states.**

For which aspects of Exchange operations or Exchange standards is State flexibility likely to be particularly important?

Nevada Response: **HHS should allow each state to customize health reforms, including the formation of a state health insurance exchange, with as much flexibility as possible. We recommend that HHS encourage customization and not force states to adopt measures or standards or processes that would restrict the states' abilities to develop solutions that address their unique problems and circumstances.**

3. What kinds of systems are States likely to need to enable important Exchange operational functions (e.g., eligibility determination, plan qualification, data reporting, payment flows, etc.), to ensure adequate accounting and tracking of spending, provide transparency to Exchange functions, and facilitate financial audits?

   Nevada Response**: Currently, Nevada operates two separate and distinct eligibility systems to determine eligibility for its Medicaid program and its CHIP program (Nevada Check Up). The DWSS operates and maintains the eligibility system for the State's Medicaid program, while the DHCFP operates and maintains the Nevada Check Up eligibility system. Individuals must complete separate applications for Medicaid and CHIP.**

   To establish a streamlined, single application to determine eligibility for an expanded Medicaid program, the Nevada Check Up program, and premium subsidies that will be available through the Exchange, Nevada DWSS and DHCFP are considering the development of a single eligibility engine that will be used to process applications for all medical assistance programs.

   The manner by which premiums are generated and displayed is a core operation of the Exchange that we will need to establish in order to allow

consumers to compare plans. Whether the Exchange has its own rating engine or links to the health carriers' rating engine will be determined as part of our planning process. The Exchange will also need to track enrollment, payment of premiums by consumers, and the application of federal subsidies to individuals and small groups.

What are the relative costs and considerations associated with building Exchange operational, financial, and/or IT systems off of existing systems, versus building new stand-alone Exchange IT systems?

***Nevada Response*: This will cost the State multi-millions of dollars, but the exact amount still needs to be determined. A preliminary cost to develop the eligibility engine is $24 million plus the continuing maintenance of millions of dollars per year.**

4. What are the tradeoffs for States to utilize a Federal IT solution for operating their exchanges, as compared to building their own unique systems to conform to the current State environment?

***Nevada Response*: Operating the exchange on a local level will provide the states with more control and flexibility to address each of their unique needs. Utilizing the federal option would most likely assist the states in the costs of development and implementation. However, until a federal IT solution is presented and we have a chance to evaluate the merits of using a federal IT solution, it is difficult to fully understand and weigh the potential tradeoffs.**

For what kinds of functions would it make more sense for States to build their own systems, or modify existing systems?

***Nevada Response*: As noted previously, we are in the process of evaluating our existing eligibility systems to determine whether we should build a new system to process applications for all medical assistance subsidy programs, or to modify our existing system. That work is of paramount importance to meet the single, streamlined eligibility process requirements of the ACA. The premium development and display systems, which do not currently exist within State government, will also need to be built, bought or rented. As part of our planning work, we will be looking to the market to determine what makes the most sense for Nevada's Exchange.**

5. What are the considerations for States as they develop web portals for the Exchanges?

***Nevada Response*: Practical and user-friendly; flexible and adaptable; and administratively efficient.**

6. What factors should Exchanges consider in reviewing justifications for premium increases from insurers seeking certification as QHPs?

   ***Nevada Response*: Rates must not be excessive, inadequate or unfairly discriminatory. In addition, rates for products available through the Exchange must be consistent with the rates in the non-Exchange market.**

How will States leverage/coordinate the work funded by the rate review grants to inform the decisions about which plans will be certified by QHPs?

***Nevada Response*: This is yet to be determined, but Nevada will seek to leverage the work being done as part of the rate review grant funding, and we do not envision the Exchange serving as a rate regulator.**

7. To what extent are Territories likely to elect to establish their own Exchanges?

   ***Nevada Response*: N/A**

What specific issues apply to establishing Exchanges in the Territories?

***Nevada Response*: NA**

8. What specific planning steps should the Exchanges undertake to ensure that they are accessible and available to individuals from diverse cultural origins and those with low literacy, disabilities, and limited English proficiency?

   ***Nevada Response*: This is yet to be determined. However, we do plan on engaging stakeholders in the planning process, and part of that engagement strategy will be to reach out to diverse groups from across the state.**

9. What factors should the Secretary consider in determining what constitutes as wasteful spending (as outlined in Section 1311 (d)(5)(B))?

   ***Nevada Response*: Wasteful spending could include: excessive executive compensation; lobbying efforts; employee retreats, travel and other rewards or benefits; and, other promotional giveaways.**

D. Qualified Health Plans (QHPs)

Section 1311(d)(2)(A) requires Exchanges to make QHPs available to qualified individuals and employers, and Section 1311(d)(4)(A) requires Exchanges to implement procedures for the certification, recertification, and decertification of health plans as QHPs, consistent with criteria developed by the Secretary under section 1311(c).

1. What are some of the major considerations involved in certifying QHPs under the Exchanges, and how do those considerations differ in the context of individual and SHOP State Exchanges, subsidiary Exchanges, regional or interstate Exchanges, or

an Exchange operated by the Federal government on behalf of States that do not elect to establish an Exchange?

Nevada Response: **As part of our planning for the establishment of the Exchange, we will determine the role of the Exchange and the criteria used to select qualified health plans for offer through the Exchange. Our preference would be to use a common set of criteria for the individual and SHOP Exchanges, to allow for continuity of coverage as people move from individual to group coverage. We are also cognizant of the churn that may take place between Medicaid and the Exchange, and will want to ensure as much continuity of care for individuals moving between these programs.**

What factors should be considered in developing the Section 1311(c) certification criteria?

Nevada Response: **We believe states should be provided significant flexibility in establishing certification criteria that best meets their needs, and we encourage HHS to limit the specific criteria for determining qualified health plans. So long as a health plan meets the licensing requirements of a state, each state's Exchange should be allowed to set its own criteria.**

To what extent do States currently have similar requirements or standards for plans in the individual and group markets?

Nevada Response: **Nevada HMOs currently must demonstrate that they have an adequate network to meet the needs of their consumers. The Nevada State Board of Health has the responsibility to determine network adequacy. In addition, every insurer must meet the minimum financial requirements; pass financial examinations and market conduct examinations; pass background checks on essential personnel; and other tests.**

a. What issues need to be considered in establishing appropriate standards for ensuring a sufficient choice of providers and providing information on the availability of providers?

Nevada Response: **The Nevada State Board of Health has the responsibility to determine network adequacy of all HMOs. Their criteria include:**

1. **Has demonstrated willingness and ability to assure that such health care services will be provided in a manner to assure both availability and accessibility of adequate personnel and facilities and in a manner enhancing availability, accessibility and continuity of service;**
2. **Has organizational arrangements, established in accordance with regulations promulgated by the State Board of Health;**
3. **Has a procedure established in accordance with regulations of the State Board of Health to develop, compile, evaluate and report statistics relating to the cost of its operations, the pattern of utilization of its services, the availability and accessibility of its services and such other matters as may be reasonably required by the State Board of Health.**

b. What issues need to be considered in establishing appropriate minimum standards for marketing of QHPs and enforcement of those standards?

Nevada Response: **States have their own marketing standards for health plans, and states should continue to have authority to set their own standards for marketing. We do not believe the federal government should establish different marketing rules for the health plans sold inside state Exchanges, while the health plans sold outside the Exchanges would be subject to different standards. This may have significant implications for the commercial insurance market and the attractiveness of the Exchanges.**

What are appropriate Federal and State roles in marketing oversight?

Nevada Response: **The federal oversight could apply to multi-state insurers operating in multiple states. Each state should have oversight of all marketing activities within its borders. However, it would be helpful if the federal government provided marketing resources to the states that could be tailored to meet each state's needs.**

2. What factors are needed to facilitate participation of a sufficient mix of QHPs in the Exchanges to meet the needs of consumers?

Nevada Response: **All insurers meeting the rate requirements and demonstrating an ability to provide the services needed for its policyholders/consumers should be able to participate in the Exchange. To ensure that there is a sufficient mix of QHPs, the standards must be realistic for insurers to achieve. Outreach to health plans might also be needed to educate them on the benefits of the Exchange.**

a. What timeframes and key milestones will be most important in assessing plans' participation in Exchanges?

Nevada Response: **It is too early to determine at this time. It will be important, however, for the federal government to determine the rules regarding "minimum essential benefits." The specifics of these benefits will have a direct and potentially significant affect on the carriers' willingness to participate in the Exchange.**

b. What kinds of factors are likely to encourage or discourage competition among plans in the Exchanges based on price, quality, value, and other factors?

Nevada Response: **Competition may be impeded if one or more insurer(s) are granted an unfair advantage over other insurers. The Exchange needs to establish and maintain a level playing field for all insurers. Ideally, it will provide opportunities for both small and larger health plans.**

3. What health plan standards and bidding processes would help to facilitate getting the best value for consumers and taxpayers?

Nevada Response: **The most common factors considered at this time are: price, deductible, coinsurance amount, co-pays, and provider network(s).**

A market in which willing buyers and willing sellers fairly compete, unencumbered by overly restrictive rules and regulations, should help to facilitate the best value for consumers and taxpayers.

4. What factors are important in establishing minimum requirements for the actuarial value/level of coverage?

   Nevada Response: **The rates must not be inadequate, excessive or unfairly discriminatory. There should also be an assessment of the cost of a carrier's plans across all four levels of coverage (Platinum, Gold, Silver, and Bronze) to ensure that a carrier is not inappropriately pricing a given tier or level of coverage in order to grab market share.**

5. What factors, bidding requirements, and review/selection practices are likely to facilitate the participation of multiple plans in Exchanges?

   Nevada Response: **Rules and regulations inside the Exchange need to be comparable to those outside the Exchange. Health plans should not be held to a different standard inside versus outside the Exchange.**

To what extent should the Exchanges accept all plans that meet minimum standards or select and negotiate with plans?

Nevada Response: **In a competitive environment, the Exchange should not negotiate with the plans and SHOULD allow all who qualify to participate.**

6. What are some important considerations related to establishing the program to offer loans or grants to foster the promotion of qualified nonprofit health plans under CO–OP plans?

   Nevada Response: **The State of Nevada does not have funds available to fund such an organization. It would have to done with federal funds. Further, there is a competitive marketplace in Nevada and the creation of such an organization using public funding may interfere with the competitive marketplace.**

How prevalent are these organizations today?

Nevada Response: **There are none in Nevada.**

What is the likely demand for these loans and grants?

Nevada Response: **N/A**

What kinds of guidance are they likely to need from HHS and what legislative or regulatory changes are they likely to need from States?

Nevada Response: **N/A**

7. Are there any special factors that are important for consideration in establishing standards for the participation of multi-State plans in Exchanges?

Nevada Response: **The November 2010 elections will result in Nevada having a new governor. The governor will need to decide which direction he wants to move in. In addition, the Exchange planning grant will provide Nevada with an opportunity to thoroughly examine all options before making a final decision.**

8. To what extent are States considering setting up State Basic Health Plans under Section 1331 of the Act?

Nevada Response: **There are none at this time. We will not know the appetite for such an organization until after the elections, as the new governor will need to decide which direction he wants to move in. In addition, the Exchange planning grant will provide Nevada with an opportunity to thoroughly examine all options before making a final decision, including whether the establishment of a Basic Health Plan is something that Nevada believes is worth pursuing.**

E. Quality

The Affordable Care Act requires the Secretary to develop a health plan rating system on the basis of quality and prices that would be used by the Exchanges and to establish quality improvement criteria that health plans must meet in order to be qualified plans for Exchanges.

1. What factors are most important for consideration in establishing standards for a plan rating system?

Nevada Response:

1. **Overall satisfaction based on surveys from consumers**
2. **Access and service --- access to specialists; timeliness of approvals and services provided; insurer appeals and denials and customer surveys**
3. **Qualified providers --- adequacy of network**
4. **Wellness programs and disease management**

a. How best can Exchanges help consumers understand the quality and cost implications of their plan choices?

Nevada Response: **Exchanges can help consumers understand the quality and cost implications of their choices by making sure that all product-coverage offerings are uniform in appearance and content to reduce any confusion. In addition, a "total cost of coverage" calculator that allows consumers to enter member-specific information to generate an estimate of a particular health plan, taking into consideration premiums and out-of-pocket costs (e.g., co-pays, deductibles, co-insurance) would be useful.**

b. Are the measures and standards that are being used to establish ratings for health plans in the Medicare Advantage program appropriate for rating QHPs in the Exchanges?

Nevada Response: **We have not reviewed those standards.**

Are there other State Medicaid or commercial models that could be considered?

Nevada Response: **We have not reviewed other State or commercial models.**

c. How much flexibility is desirable with respect to establishing State-specific thresholds or quality requirements above the minimum Federal thresholds or quality requirements?

Nevada Response: **Since every state is different, it is important to allow states to tailor their own thresholds or requirements.**

2. What are some minimum standards or other factors that could be considered with respect to establishing quality measurement and improvement thresholds or quality requirements that should be met by QHPs?

Nevada Response:

1. **Overall satisfaction based on surveys from consumers**
2. **Access and service --- access to specialists; timeliness of approvals and services provided; insurer appeals and denials and customer surveys**
3. **Qualified providers --- adequacy of network**
4. **Wellness programs and disease management**

What other strategies, including payment structures, could be used by plans to improve the practices of plan providers?

Nevada Response: **This has yet to be determined.**

F.

An Exchange for Non-Electing States Section 1321(c) requires that in the case of States that do not elect to establish Exchanges, or that the secretary determines will not have Exchanges operational by January 1, 2014 or have not taken the necessary actions to implement the requirements in Section 1321(a) or other insurance market reforms specified in Subtitles A and C of Title I of the Act, the Secretary shall establish (directly or through agreement with a not-for-profit entity) and operate an Exchange within the State.

1. How can the Federal government best work to implement an Exchange in States that do not elect to establish or are unable to establish their own Exchanges?

Nevada Response: **N/A**

2. Are there considerations for an Exchange operated by the Federal government on behalf of States that do not elect to establish an Exchange that would be different from the State-run Exchanges?

Nevada Response: **N/A**

G. Enrollment and Eligibility

Section 1411 of the Affordable Care Act requires the Secretary to establish a program for determining whether an individual meets certain eligibility requirements for Exchange participation, premium tax credits and cost-sharing reductions, and individual responsibility exemptions. Additionally, Sections 1412, 1413 and 2201 contain additional requirements to assist Exchanges by making advance determinations regarding income eligibility and cost-sharing reductions; providing for residents of each State to apply for enrollment in, receive a determination of eligibility for participation in, and continue participation in applicable State health subsidy programs; and simplifying and coordinating enrollment in the Exchanges, Medicaid and the Children's Health Insurance Program (CHIP).

1. What are the advantages and issues associated with various options for setting the duration of the open enrollment period for Exchanges for the first year and subsequent years?

   Nevada Response: **Movement between health plans should only be allowed during an open enrollment period to avoid or minimize adverse selection. In a guaranteed issue individual market, it will be extremely important to establish enforceable rules regarding the ability of people to purchase coverage. The shift to a guaranteed issue, modified community rating system will generate significant risk selection concerns for Nevada's health insurers. We will need to monitor carefully the impact of this change and establish rules to protect against gaming by individuals seeking to sign up for coverage only when they "need it." A tightly controlled enrollment process will likely be necessary.**

What factors are important for developing criteria for special enrollment periods?

Nevada Response: **Special enrollment periods should be designed to allow participant movement only under very specific conditions, such as a change in residence (e.g., moving into Nevada), loss of employer-sponsored insurance, or loss of eligibility for Medicaid/CHIP. The criteria should be structured to make it difficult (impossible?) for people to to enroll in coverage due to a change in their health status.**

2. What are some of the key considerations associated with conducting online enrollment?

   Nevada Response: **Privacy concerns (confidentiality of personal information) are always a key consideration. Moreover, correctness of responses may be a problem with a person misrepresenting themselves and/or misunderstanding the forms.**

3. How can eligibility and enrollment be effectively coordinated between Medicaid, CHIP, and Exchanges?

Nevada Response: **The eligibility engine must be capable of this coordination, but we recognize the challenge that this poses. A major part of our planning effort will be focused on this issue.**

How could eligibility systems be designed or adapted to accomplish this?

Nevada Response: **Consultants will design the system to accomplish the proper placement/qualification of those persons eligible for coverage.**

What steps can be taken to ease consumer navigation between the programs and ease administrative burden?

Nevada Response: **Make eligibility for each program a default based on verifiable answers. Easy questions such as "Is your household income less than $xx,xxx?" If the response is yes, the next drop-down takes you to the Medicaid or other application. If the response is no, then you proceed with other questions to develop a series of quotations.**

What are the key considerations related to States using Exchange or Medicaid/CHIP application information to determine eligibility for all three programs?

Nevada Response: **Nevada currently has separate Medicaid and CHIP programs that operate under different eligibility rules and that process applications through different eligibility engines. Therefore, establishing a single portal/single eligibility engine may require a significant upgrade to existing eligibility systems or the development of a new eligibility system to process applications and determine eligibility. In addition, there may be additional questions that need to be answered for Medicaid or CHIP that will not be necessary for someone applying for a premium subsidy through the Exchange.**

4. What kinds of data linkages do State Medicaid and CHIP agencies currently have with other Federal and State agencies and data sources?

Nevada Response: **Nevada currently has separate Medicaid and CHIP programs that operate under different eligibility rules and that process applications through different eligibility engines.**

How can the implementation of Exchanges help to streamline these processes for States, and how can these linkages be leveraged to support Exchange operations?

Nevada Response: **We are hopeful that the federal government will establish a single point of contact for states to access the various federal agencies that will be involved in eligibility determination for all public assistance program.**

5. How do States or other stakeholders envision facilitating the requirements of Section 1411 related to verification with Federal agencies of eligibility for enrollment through an Exchange?

Nevada Response: **This has yet to be determined, but it is our hope that the federal agencies will work together to develop a single interface between the federal government and the states.**

6. What are the verification and data sharing functions that States are capable of performing to facilitate the determination of Exchange eligibility and enrollment?

Nevada Response: **This has yet to be determined.**

7. What considerations should be taken into account in establishing procedures for payment of the cost-sharing reductions to health plans?

Nevada Response: **HHS should be flexible in establishing any requirements regarding the payment of cost-sharing reductions to health plans. The health carriers in Nevada will need to be intimately involved in these discussions, as this is the type of activity that may affect their decision to participate in the Exchange.**

H. Outreach

Section 1311(i) provides that Exchanges shall establish grant programs for navigators, to conduct public education activities, distribute enrollment information, facilitate enrollment, and provide referrals for grievances, complaints, or questions.

1. What kinds of consumer enrollment, outreach, and educational activities are States and other entities likely to conduct relating to Exchanges, insurance market reforms, premium tax credits and cost-sharing reductions, available plan choices, etc., and what Federal resources or technical assistance are likely to be beneficial?

Nevada Response:

i. **For healthcare providers: webinars, mailings, outreach to professional associations, meetings with state officials**
ii. **For consumers: town hall meetings, radio and television commercials, mailings, hotlines, websites, public forums**
iii. **For insurers: webinars, federal and state regulations and bulletins, meetings with state officials, public meetings**

2. What resources are needed for Navigator programs?

Nevada Response: **A clear delineation between the role of Navigators and the potential role of agents/brokers.**

To what extent do States currently have programs in place that can be adapted to serve as patient Navigators?

Nevada Response: **Nevada does not have any at this time. There could possibly be an agreement with agent & broker associations.**

3. What kinds of outreach strategies are likely to be most successful in enrolling individuals who are eligible for tax credits and cost-sharing reductions to purchase coverage through an Exchange, and retaining these individuals?

Nevada Response: **Outreach strategies could include: radio and television commercials; notices on the web portal; hotlines for people to ask questions; and, notices on the Exchange; community-based outreach and eduation; schools-based promotions; hospitals and community health centers; physician organizations; consumer advocates.**

How can these outreach efforts be coordinated with efforts for other public programs?

Nevada Response: **Outreach efforts could be coordinated through notices at other agencies who are providing benefits (such as: unemployment, disability offices, social security offices, welfare offices, etc.). Joint advertising could also be useful, when needed. Agencies can develop a system to "cross sell," meaning they will identify clients who may qualify for a number of different public assistance programs.**

I. Rating Areas

Section 2701(a)(2) of the Public Health Service Act, as added by Section 1201 of the Affordable Care Act requires each State to establish one or more rating areas within the State for purposes of applying the requirements of Title I of the Affordable Care Act (including the Exchange provisions), subject to review by the Secretary.

1. To what extent do States currently utilize established premium rating areas?

Nevada Response: No response at this time.

What are the typical geographical boundaries of these premium rating areas (e.g., Statewide, regional, county, etc.)? What are the pros and cons associated with interstate, statewide, and sub-State premium rating areas?

Nevada Response: No response at this time.

What insurance markets are typically required to utilize these premium rating areas?

Nevada Response: No response at this time.

2. To the extent that States utilize premium rating areas, how are they established?

Nevada Response: States should be given the first opportunity to regulate rates, conduct rate review, craft risk adjustment rules, and oversee marketing ruels.

What kinds of criteria do States and other entities typically consider when determining the adequacy of premium rating areas?

Nevada Response: No response at this time.

What other criteria could be considered?

Nevada Response: No response at this time.

J. Consumer Experience

1. What kinds of design features can help consumers obtain coverage through the Exchange?

Nevada Response: **The website should be easy to navigate and similar to other commonly used websites, such as Expedia.com. In addition, the availability of various decision support tools, such as provider/physician look-up, cost of coverage calculator, customer satisfaction scores, health plan quality metrics, may be useful to consumers.**

What information are consumers likely to find useful from Exchanges in making plan selections?

Nevada Response:

a. **The variety of health plans available (gold, silver, platinum and bronze)**
b. **The variety of health insurers providing coverage**
c. **The variety of deductibles, co-pays and coinsurance amounts**
d. **The availability of program credits available to those eligible for programs such as Medicaid, Medicare, etc.**

Which kinds of enrollment venues are likely to be most helpful in facilitating individual enrollment in Exchanges and QHPs?

Nevada Response: **If the Exchange is to attract sufficient volume, it will need to undertake a multi-pronged outreach, education, and enrollment campaign. Such an effort might include Exchange employees, state employees working for social service agencies, schools-based promotional activities, community-based advocacy organizations, private employers, business groups, hospitals, community health centers, physicians, health insurers, paid media, and public service announcements.**

2. What kinds of information are likely to be most useful to consumers as they determine whether to enroll in an Exchange and which plans to select (within or outside of an Exchange)?

Nevada Response: **The critical information will likely be: monthly premiums; deductibles and co-pays; maximum out-of-pockets amounts; and, network providers. The Exchange must also be consumer-friendly and provide an administratively efficient process for people to enroll in coverage, pay premiums, and manage their account.**

What are some best practices in conveying information to consumers relating to health insurance, plan comparisons, and eligibility for premium tax credits, or eligibility for other public health insurance programs (e.g., Medicaid)?

Nevada Response: **This has yet to be determined.**

What types of efforts could be taken to reach individuals from diverse cultural origins and those with low literacy, disabilities, and limited English proficiency?

Nevada Response: **This has yet to be determined.**

3. What are best practices in implementing consumer protections standards?

   Nevada Response: **We are unsure until we understand the governance of the Exchange.**

4. Given that consumer complaints can be an important source of information in identifying compliance issues, what are the pros and cons of various options for collecting and reporting Exchange-related complaints (e.g., collecting complaints at the Federal level, versus at the State or Exchange level)?

   Nevada Response: **Resolution of complaints at the Federal level may fail to take into account local (state) issues unique to that state. Exchanges could purposefully or unintentionally hide or disguise complaints to make it be seen in a positive light. The best option may be complaints filed with the State Insurance Departments or the Ombudsman program.**

K. Employer Participation

Section 1311(b)(1)(B) provides for the establishment of Small Business Health Options Programs, referred to as SHOP Exchanges, which are designed to assist qualified employers in the State who are small employers in facilitating the enrollment of their employees in QHPs offered in the small group market in the State. Section 1304(b) provides that for plan years beginning before January 1, 2016, States have the option to define ''small employers'' as those with (1) 100 or fewer employees, or (2) 50 or fewer employees. Section 1312(f)(2)(B) specifies that beginning in 2017, States may elect to include issuers of health insurance coverage in the large group market to offer QHPs through the Exchange, and for large employers to purchase coverage through the Exchange.

1. What Exchange design features are likely to be most important for employer participation, including the participation of large employers in the future?

   Nevada Response: **The Exchange must demonstrate the value of providing health coverage to employers in order to gain their participation. Exchanges should be displayed in a positive manner, showing the benefits of providing coverage to employees and their dependents rather than merely showing the negative consequences of failing to provide coverage. For example, stress the tax credits available for providing coverage as opposed to the fines imposed for failure to provide coverage.**

   The Exchange will also need to provide an administratively simple process to allow employees to select from the health plans available through the Exchange. The employer and his/her employees will need assistance in navigating their options.

In order for employers to participate in the Exchange, premium billing and collection must be the responsibility of the Exchange or an intermediary working on behalf of the Exchange. Employers will not participate if they are required to pay multiple carriers for the health plans selected by their employees.

What are some relevant best practices?

Nevada Response: **Until we understand the governance of the Exchange, we are not sure, but single source for premium billing and collection is an obvious necessity.**

2. What factors are important for consideration in determining the employer size limit (e.g., 50 versus 100) for participation in a given State's Exchange?

   Nevada Response: **In the early years there are fewer requirements imposed on the large employers. By having the definition of large employer increased from 50 to 100, the insurers are able to apply the MLR at 80% for those employers with 50 to 100 employees instead of the 85% MLR for those same employers.**

3. What considerations are important in facilitating coordination between employers and Exchanges?

   Nevada Response: **As stated earlier, the employers need to see the advantages of providing coverage for their employees through the Exchange. Administrative simplicity will be crucial to attracting and retaining employers.**

   What key issues will require collaboration?

   Nevada Response: This will need to be determined.

4. What other issues are there of interest to employers with respect to their participation in Exchanges?

   Nevada Response: This will need to be determined.

L. Risk Adjustment, Reinsurance, and Risk Corridors

Sections 1341, 1342, and 1343 of the Act provide for the establishment of transitional reinsurance programs, risk corridors, and risk adjustment systems for the individual and small group markets within States.

1. To what extent do States and other entities currently risk-adjust payments for health insurance coverage in order to counter adverse selection?

   Nevada Response: No response at this time.

In what markets (e.g., Medicaid, CHIP, government employee plans, etc.) are these risk adjustment activities currently performed?

Nevada Response: No response at this time.

To the extent that risk adjustment is or has been used, what methods have been utilized, and what are the pros and cons of such methods?

Nevada Response: No response at this time.

2. To what extent do States currently collect demographic and other information, such as health status, claims history, or medical conditions under treatment on enrollees in the individual and small group markets that could be used for risk adjustment?

Nevada Response: No response at this time.

What kinds of resources and authorities would States need in order to collect information for risk adjustment of plans offered inside and outside of the Exchanges?

Nevada Response: No response at this time.

What issues are States likely to consider in carrying out risk adjustment for health plans inside and outside of the Exchanges?

Nevada Response: No response at this time.

What kinds of technical assistance might be useful to States and QHPs?

Nevada Response: No response at this time.

Pre-qualification of vendors and systems that are capable of providing risk adjustment mechanism would relieve the burden on the states to carry out this essential function.

3. What are some of the major administrative options for carrying out risk adjustment?

Nevada Response: No response at this time.

What kinds of entities could potentially conduct risk adjustment or collect and distribute funds for risk adjustment?

Nevada Response: No response at this time.

What are some of the options relating to the timing of payments, and what are the pros and cons of these options?

Nevada Response: No response at this time.

4. To what extent do States currently offer reinsurance in the health insurance arena (e.g., Medicaid, State employee plans, etc.) or in other arenas?

Nevada Response: No response at this time.

How is that reinsurance typically structured in terms of contributions, coverage levels, and eligibility?

Nevada Response: No response at this time.

How much is typically taken in and paid out?

Nevada Response: No response at this time.

Is the reinsurance fund capped in any way?

Nevada Response: No response at this time.

5. What kinds of non-profit entities currently exist in the marketplace that could potentially fulfill the role of an ‘‘applicable reinsurance entity’’ as defined in the Act?

Nevada Response: No response at this time.

6. What methods are typically used to determine which individuals are deemed high-risk or high cost for the purposes of reinsurance?

Nevada Response: No response at this time.

7. What challenges are States likely to face in implementing the temporary reinsurance program?

Nevada Response: No response at this time.

8. How do other programs (e.g., Medicaid) use risk corridors to share profits and losses with health plans or other entities?

Nevada Response: No response at this time.

How are the corridors defined and monitored under these programs?

Nevada Response: No response at this time.

What mechanisms are used to collect and disburse payments?

Nevada Response: No response at this time.

9. Are there non-Federal instances in which reinsurance and/or risk corridors and/or risk adjustment were used together?

Nevada Response: No response at this time.

What kinds of special considerations are important when implementing multiple risk selection mitigation strategies at once?

Nevada Response: No response at this time.

M. Comments Regarding Economic Analysis, Paperwork Reduction Act, and Regulatory Flexibility Act

Nevada Response: No response at this time.

Executive Order 12866 requires an assessment of the anticipated costs and benefits of a significant rulemaking action and the alternatives considered, using the guidance provided by the Office of Management and Budget. These costs and benefits are not limited to the Federal government, but pertain to the affected public as a whole. Under Executive Order 12866, a determination must be made whether implementation of the Exchange-related provisions in Title I of the Affordable Care Act will be economically significant. A rule that has an annual effect on the economy of $100 million or more is considered economically significant.

1. What policies, procedures, or practices of plans, employers and States may be impacted by the Exchange-related provisions in Title I of the Affordable Care Act?

a. What direct or indirect costs and benefits would result?

b. Which stakeholders will be affected by such benefits and costs?

c. Are these impacts likely to vary by insurance market, plan type, or geographic area?

2. Are there unique effects for small entities subject to the Exchange-related provisions in Title I of the Affordable Care Act?

3. Are there unique benefits and costs affecting consumers?

How will these consumer benefits be affected by States' Exchange design and flexibilities and the magnitude and substance of provisions mandated by the Act?

Please discuss tangible and intangible benefits.

4. Are there paperwork burdens related to the Exchange-related provisions in Title I of the Affordable Care Act, and, if so, what estimated hours and costs are associated with those additional burdens?

N. Comments Regarding Exchange

Operations The Exchange-related provisions in Title I of the Affordable Care Act may affect/will involve various stakeholders. HHS wants to ensure receipt of all comments pertaining to the operations of the Exchanges.

1. What other considerations related to the operations of Exchanges should be addressed?